

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:4604
ANSWERED ON:19.12.2000
FERTILIZER FACTORY OF GORAKHPUR
BHAL CHANDRA YADAV

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether any survey has been conducted by KRIBHCO to restart the closed Fertilizer Factory of Gorakhpur but the same has not been cleared by the Government so far;
- (b) if so, the reasons therefor; and
- (c) the action proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE)

(a) to (c): Krishak Bharati Cooperative Ltd., (KRIBHCO) had submitted a proposal to set up new ammonia urea plants at the existing site of Fertilizer Corporation of India Ltd.'s closed unit at Gorakhpur in Uttar Pradesh at an estimated cost of Rs.1536 crore with an annual urea capacity of 768 lakh metric tonnes to the Government for investment approval under the prescribed procedure. This proposal along with three other proposed urea projects in the Public/ Cooperative sector, were approved 'in principle' by the Government in April, 1999, subject to investment appraisal by the Public Investment Board (PIB). Investment appraisal of all these projects was undertaken by the PIB in July 1999. In June 2000, a proposal for taking a final investment decision on these projects was considered and deferred by the Government. This proposal was formulated taking into account the observations of the PIB regarding the viability of the projects, desirability of encouraging use of Liquefied Natural Gas as feedstock to reduce the incidence of subsidy and the need to stagger the implementation of the proposed projects due to limited demand supply gap forecasts.